



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 27, 2001

Section 1033, the School Environment Protection Act of 2001, of H.R. 1, the Better Education for Students and Teachers Act

As passed by the Senate on June 19, 2001

SUMMARY

Section 1033 of H.R. 1 would require the Environmental Protection Agency (EPA) to support state agencies by developing guidelines for school pest management plans and related training materials, evaluating these plans, and providing ongoing program assistance after such plans are implemented. The section would require states, as part of their cooperative agreements with EPA, to develop an integrated pest management control plan for local education agencies (LEAs). Upon approval of the state plan by EPA, LEAs and individual schools would be required to develop and implement school pest management plans that comply with that plan.

Subject to the availability of appropriations, CBO estimates that implementing this section of H.R. 1 would cost \$6 million over the 2002-2006 period for EPA to support the development and maintenance of school pest management programs. In addition, we estimate that it would cost \$18 million over this period to provide grant money to state agencies to assist with the development and implementation of school pest management plans. Because enacting section 1033 would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

The amendment contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The costs to state, local, and tribal governments, which could be significant, would be incurred as a condition of participating in a voluntary federal program.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of section 1033 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

| | By Fiscal Year, in Millions of Dollars | | | | | |
|--|--|------|------|------|------|------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| EPA Spending Under Current Law for Pesticide Enforcement Programs | | | | | | |
| Budget Authority ^a | 32 | 0 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 26 | 21 | 12 | 6 | 2 | 0 |
| Proposed Changes | | | | | | |
| EPA Support Services | | | | | | |
| Estimated Authorization Level | 0 | 2 | 1 | 1 | 1 | 1 |
| Estimated Outlays | 0 | 2 | 1 | 1 | 1 | 1 |
| Grants to States | | | | | | |
| Estimated Authorization Level | 0 | 5 | 5 | 5 | 5 | 5 |
| Estimated Outlays | 0 | 1 | 3 | 4 | 5 | 5 |
| EPA Spending Under Section 1033 of H.R. 1 for Pesticide Enforcement Programs | | | | | | |
| Estimated Authorization Level ^a | 32 | 7 | 6 | 6 | 6 | 6 |
| Estimated Outlays | 26 | 24 | 16 | 11 | 8 | 6 |

a. The 2001 level includes the amount appropriated for that year for pesticide enforcement and additional related activities, such as training.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted before the start of fiscal year 2002, that the necessary amounts will be appropriated each year, and that outlays will occur at rates similar to other pesticide enforcement programs. CBO estimates that implementing this section of H.R. 1 would cost \$24 million over the next five years for administrative costs and for grants to states. This estimate is based on information from EPA concerning the anticipated administrative costs of the proposed program, and on information from states about the implementation costs of this proposal at the state level. This estimate assumes that no federal funds would be provided for LEAs to implement the proposed pest management plans.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

UMRA defines an intergovernmental mandate as any enforceable duty imposed on state, local, or tribal governments, unless that duty is imposed as a condition of participating in a voluntary federal program. Section 1033 does not contain a mandate under UMRA because it would expand requirements of an existing program through which EPA and the states enter into cooperative agreements to perform certain training and enforcement activities. States enter into these cooperative agreements voluntarily and are reimbursed, subject to appropriation, for 50 percent of the costs of the activities they undertake. The section would require state pest management plans to be an additional item in the state cooperative agreements; that is, a new requirement under a voluntary federal program rather than a mandate (as defined by UMRA).

Section 1033 would require states, as part of cooperative agreements with EPA, to develop an integrated pest management control plan for local educational agencies. Upon approval of the state plan by EPA, LEAs and individual schools would be required to develop and implement school pest management plans that comply with that plan. The school plans would require schools to:

- Restrict the use of pesticides in and around school property while students or staff members are present;
- Appoint a contact person to maintain records relating to pesticide use in the schools and to act as a contact for inquiries, and
- Provide notice to parents, guardians, and staff members throughout the school year describing the school pest management program.

CBO cannot provide a precise estimate of the total costs to comply with the provisions of the amendment because of the uncertainties that surround how the state and school pest management plans would be implemented. For example,

- States could decline to enter into cooperative agreements with EPA, thus eliminating the requirement to develop and implement a pest management program;
- EPA could determine that certain state pesticide laws meet the requirements of this amendment; therefore, some states and schools would not be required to undertake any additional activities. While as many as 31 states have programs that address pesticide use in schools, it is not clear at this time whether EPA would consider those programs adequate to comply with the provisions of this section; or
- Regional differences in climate and pest proliferation could affect the timing and frequency of pesticide application. These differences would affect the number of additional notifications schools would need to distribute and track.

Because certain provisions of the section would impose heavy administrative burdens on schools, states may opt to withdraw from the cooperative agreements with EPA. Under this scenario, total costs nationwide to comply with the section could be quite small. Alternatively, if states continue to participate in the cooperative agreements, and choose to implement the new notification and recordkeeping requirements of the section, annual costs to state, local, and tribal governments could easily exceed several hundred million dollars. Most of the costs would result from the additional staff time in the schools to develop and distribute universal notifications, to provide a contact person at each local educational agency, and to develop systems to maintain certain records regarding pesticide use.

For example, the Chesterfield County School District, a suburban district near Richmond, Virginia, with 51,000 students and 59 school buildings, has estimated that the cost of complying with the requirements of this section would exceed \$300,000 per year. These costs include distribution of universal notifications three times in a school year, information systems to track each school plan, and additional technical and administrative staff.

In 1999, there were over 14,800 school districts operating nationwide. If every school district incurred the same level of costs as Chesterfield County, total costs to state, local, and tribal governments to comply with section 1033 would be significant, potentially totaling several hundred million dollars annually. Until EPA develops regulations and model programs to implement this section, CBO cannot estimate the final cost to states and schools.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private sector mandates as defined in UMRA.

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